

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Title: Point of Sale System
Inventor: Wiram, Gordon Michael
Serial No.: 09/777,722
Filing Date: February 5, 2001
Conf. No.: 6086

Examiner: Sheikh, Asfund M.
Group Art Unit: 3627

REPLY BRIEF

Mail Stop Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

This Reply Brief is filed in reply to the Examiner's Answer, mailed on May 13, 2008, in an appeal from the decision dated October 24, 2006 finally rejecting claims 1-29 and 31-52 as follows:

a. Claims 1-3, 5-20 and 22-29 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the U-Haul reservation system prior to February 5, 2000 (hereinafter the "U-Haul PC-Based System") in view of U.S. Patent No. 5,875,433 issued to Francisco et al. (hereafter "Francisco et al.");

b. Claims 4 and 21 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the U-Haul PC-Based System in view of Francisco et al., and further in view of the Budget reservation system (hereinafter the "Budget System");

c. Claims 31, 32 and 34-41 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the U-Haul PC-Based System;

d. Claim 33 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over the U-Haul PC-Based System, and further in view of the Budget System;

e. Claims 42, 43 and 45-52 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the U-Haul PC-Based System; and

f. Claim 44 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over the U-Haul PC-Based System, and further in view of the Budget System.

ARGUMENT

1. The Subject Matter of Claims 1-3, 5-20 and 22-29 Is Not Obvious under 35 U.S.C. § 103(a) over the U-Haul PC-Based System in View of Francisco et al.¹

In the Answer, the Examiner maintains the rejection of claims 1-3, 5-20 and 22-29 as being obvious over U-Haul's PC-Based System in view of Francisco et al. The Examiner concedes that the cited art does not disclose "a computer-server operatively coupled to the internet for communicating with one or more retail locations" as recited in the claims. *See* Examiner's Answer at 5, 13. Yet the Examiner concludes that it would have been obvious to modify the U-Haul PC-Based System using the teachings of Francisco et al. to achieve the claimed system. The record, however, does not support this conclusion.

A. There Is No Suggestion or Motivation to Combine U-Haul's PC-Based System and Francisco et al.

To establish a *prima facie* case of obviousness under 35 U.S.C. § 103(a) when relying on combined references, the Examiner must articulate some reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does. MPEP § 2143. "[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 82 USPQ2d 1385, 1396 (2007) (quoting *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006)). One way to establish obviousness is to identify some suggestion or motivation to modify the reference to produce the claimed invention. *See* MPEP § 2142. In performing this analysis, however, the "factfinder should be aware . . . of the distortion caused by hindsight bias and must be cautious of argument reliant upon *ex post* reasoning." *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 82 USPQ2d at 1397. *See also* *Graham v. John Deere Co.*, 383 U.S. at 36, 148 USPQ at 474.

¹ Claims 1, 2, 13 and 19 are independent claims. Claims 3 and 5-12 depend, either directly or indirectly, from claim 2. Claims 14-18 depend, either directly or indirectly, from claim 13. Claims 20 and 22-29 depend, either directly or indirectly, from claim 19.

Applicant respectfully submits that the Examiner has failed to articulate a sufficient reason to combine the U-Haul PC-Based System with Francisco et al. In the Answer, the Examiner asserts that one of ordinary skill in the art would have been motivated to combine the teachings of these references “due to the fact that in one field on endeavor may prompt variations for use in either the same filed based on design incentives.” Examiner’s Answer at 14. The Examiner goes on to conclude that “connecting to the internet would be a design incentive to combine the Internet to the teachings of the U-Haul PC based system, for the connecting a system to the internet to provide reporting (see motivation of Office Action mailed on 10/24/2006).” *Id.* The Office Action referenced by the Examiner asserts that the purported rationale for combining the references is to “provide for automated tax reporting to the relevant tax authority.” *See* Office Action dated October 24, 2006, at 5. The Examiner’s asserted motivation is flawed for a number of reasons.

First, the Examiner’s suggested design incentive to provide automated tax reporting does not address the problem that Applicant’s invention is designed to address. Francisco, et al. is directed to a point of sale tax reporting and collecting system that is designed to report information regarding retail transactions and sales tax to local and federal taxing authorities. Applicant’s invention, in contrast, is directed to a very different problem, *i.e.* to the problem of how to better manage equipment reservations and rentals covering different geographic territories. *See, e.g.*, Rule 132 Declaration of Gordon Michael Wiram ¶¶ 7-17. It is not directed to the problem of reporting tax information to government taxing authorities. Thus, one of ordinary skill in the art would not be motivated to look to a tax-reporting system, such as Francisco et al., to solve to the problem addressed by Applicant’s invention.

Moreover, even if one were to apply the tax reporting teachings of Francisco et al. to U-Haul’s PC-Based System, as the Examiner suggests, that would not solve the problem addressed by Applicant’s invention. Francisco, et al. teaches using the Internet to report a retail transaction to a taxing authority over the Internet (*see* col. 10, lines12-26). Yet, if U-Haul were to implement such a system for retail rental outlets to communicate completed transactions to taxing authorities, it would not solve the problem addressed by Applicant’s invention, *i.e.* to quickly and uniformly implement software and data changes throughout a system of dealers and rental centers. For example, sending tax information to tax authorities would not provide dealers and rental centers with updated rental rate discounts, inventory information or information about

problems with specific customers. *See, e.g.*, Rule 132 Declaration of Gordon Michael Wiram ¶¶ 7-17. Thus, even if it were proper to apply the teaching of Francisco, et al. to modify U-Haul's PC-Based System (which Applicant respectfully disputes) that would not achieve the system and method of Applicant's claims, which does solve these problems.

Finally, Applicant respectfully submits that the Examiner has not made the showing required by the MPEP to reject a claim based on the purported rationale that known work in one field of endeavor may prompt variations of it for use in either the same field or a different one based on design incentives. Section 2143 provides that to reject a claim under that rationale, the Examiner must resolve the *Graham* factual inquiries and must articulate the following:

- (1) a finding that the scope and content of the prior art, whether in the same field of endeavor as that of the applicant's invention or a different field of endeavor, included a similar or analogous device (method, or product);
- (2) a finding that there were design incentives or market forces which would have prompted adaptation of the known device (method, or product);
- (3) a finding that the differences between the claimed invention and the prior art were encompassed in known variations or in a principle known in the prior art;
- (4) a finding that one of ordinary skill in the art, in view of the identified design incentives or other market forces, could have implemented the claimed variation of the prior art, and the claimed variation would have been predictable to one of ordinary skill in the art; and
- (5) whatever additional findings based on the *Graham* factual inquiries may be necessary, in view of the facts of the case under consideration, to explain a conclusion of obviousness.

Section 2143 further observes that, if any of these findings cannot be made, this rationale cannot be used to support an obviousness rejection.

In this case, the Examiner has not clearly articulated the required findings. At the very least, the Examiner failed to identify an adequate design incentive that would have prompted one of ordinary skill in the art to modify the U-Haul PC-Based System to achieve the claimed invention. Instead, as discussed above, the design incentive asserted by the Examiner (*i.e.*, to provide reporting to tax authorities) does not even address the problem of managing reservation and equipment rental information and would not have prompted one of ordinary skill to modify the U-Haul PC-Based System.

In essence, the Examiner's obviousness conclusion is based solely on a finding that that the U-Haul PC-Based System could have been modified for connection to the Internet. *See*

Office Action at 14 (where the Examiner concludes that “Francisco, et al. teaches the *ability* to connect a terminal to the Internet to communicate information.” *Emphasis added.*) That is not enough to show obviousness. “The mere fact that the prior art could be modified in the manner proposed by the Examiner would not have made the modification obvious unless the prior art suggested the desirability of the modification.” *Ex parte Dussaud*, 7 USPQ2d 1818, 1820 (Bd. App. & Int’l 1988); *see* MPEP § 2143.01. In this case, as discussed above, nothing in the prior art suggests the desirability of making the asserted modification. Instead that motivation comes from Applicant’s disclosure.

Applicant therefore respectfully submits that the Examiner has failed to establish a *prima facie* case of obviousness under 35 U.S.C. § 103(a).

B. The Record Includes Clear and Convincing Evidence of Secondary Considerations Showing Non-Obviousness

Even if the Examiner had established a *prima facie* case of obviousness, the Applicant has presented clear and convincing evidence to rebut such a showing. The Applicant has submitted the Rule 132 Declaration of Gordon Michael Wiram to present objective evidence of non-obviousness. As noted in Applicant’s Opening Brief, the Court of Appeals for the Federal Circuit has held that such evidence must always be considered in determining obviousness. *See In re Sernaker*, 702 F.2d 989, 996 (Fed. Cir. 1983). The Examiner has not cited any case law to the contrary. Yet he has refused to consider the Rule 132 Declaration.

In the Answer, the Examiner asserts that he did consider the Rule 132 Declaration, but that he gave it “little” evidentiary weight because he asserted that it only presents “the opinions of an individual with an interest in the claimed invention.” Answer at 15. Applicants respectfully submit that the Examiner has improperly refused to give the Rule 132 Declaration any evidentiary weight at all.

Contrary to the Examiner’s assertion, the Rule 132 Declaration clearly presents more than mere “opinions.” As reflected in the Declaration, it includes substantial factual statements made upon Mr. Wiram’s personal knowledge. Previously, the Examiner asserted that the Rule 132 Declaration was insufficient because it presented “legal opinions.” As pointed out in the Opening Brief, however, the only “legal opinion” that the Examiner specifically identified was Mr. Wiram’s conclusion in paragraph 5 of the Rule 132 Declaration that the claimed subject matter would be novel and non-obvious to a person of ordinary skill in the art. *See* Office Action

dated October 24, 2006, at 11. The Examiner has not disputed this, nor has he specified what other portions of the Rule 132 Declaration are mere “opinions.” Yet, he has ignored the entire Rule 132 Declaration. Applicant respectfully submits that this is error and that the objective evidence set forth in the Rule 132 Declaration must be considered.

When properly considered, the Rule 132 Declaration shows clear and convincing evidence of non-obviousness.

i. Evidence of Long-Felt but Unsolved Need

As explained in Applicant’s Opening Brief, Applicant’s claimed Internet-based point of sale system addresses a need relating to the inability to quickly and uniformly update a point of sale system at a nationwide network of rental equipment centers and dealers. In the Answer, the Examiner does not dispute that this was an unsolved need before Applicant’s invention.

The record also includes evidence showing that the need had existed for some years before the filing of this application. *See* Opening Brief at 8-9. Again, the Examiner has not disputed this evidence in the Answering Brief. Instead, he has improperly ignored it in concluding that Applicant’s invention is obvious.

ii. Evidence of Failure of Others

As explained in the Opening Brief, the Rule 132 Declaration presents evidence that others were unable to solve the problems resolved by Applicant’s invention. As set forth in the Rule 132 Declaration, to the extent that market forces dictated the need to transfer information promptly and accurately to remote rental equipment locations, those market forces also affected U-Haul’s competitors, including Budget and Ryder. *See* Rule 132 Declaration ¶¶ 7-16, 18. By the date of the Rule 132 Declaration in January of 2005, the Internet had been available for years. Yet, by that time no companies other than U-Haul had implemented a point of sale system for the rental and reservation of trucks or other equipment that addressed the need described above. *See* Rule 132 Declaration ¶ 17.

Again, the Examiner has not disputed this evidence. Instead, he has improperly ignored the evidence in reaching a conclusion of obviousness.

iii. Evidence of Commercial Success

As explained in the Opening Brief, the Rule 132 Declaration provides clear and convincing evidence to show commercial success as well as the nexus between that success and the claimed invention. As specifically set forth in the Rule 132 Declaration, the Internet connection feature recited in Applicant's claims has enabled U-Haul to quickly and uniformly provide updated information to U-Haul dealers and rental centers and to successfully adapt to quickly fluctuating market conditions. *See* Rule 132 Declaration ¶ 18. This has successfully reduced capital costs. *Id.* ¶ 19. The Rule 132 Declaration provides specifics as to the savings achieved by the subject features as well as how those savings were achieved. *Id.* ¶ 20. Thus, the Rule 132 Declaration provides substantial, specific evidence to show the nexus between the stated commercial success and the invention.

Again, in the Answer, the Examiner does not dispute the evidence of commercial success set forth in the Rule 132 Declaration. Instead, he improperly ignores it.

In sum, Applicant respectfully submits that when the Rule 132 Declaration is properly considered it presents clear and convincing evidence of non-obviousness. Thus, whether or not the Examiner presented a *prima facie* case of obviousness, the Rule 132 Declaration demonstrates that claims 1-3, 5-20 and 22-29 are allowable over the references of record.

2. The Subject Matter of Claims 4 and 21 Is Not Obvious under 35 U.S.C § 103(a) over U-Haul System in View of Francisco et al. and further in view of the Budget System.²

In the Answer, the Examiner maintains the rejection of claims 4 and 21 as being obvious over U-Haul's PC-Based System in view of Francisco et al. and further in view of the Budget System. These claims depend from and include all of the limitations of claims 2 and 19, respectively, and also recite "a return feature having an equipment information section that prompts for information pertaining to equipment that is being returned and a payment section for payment of a rental fee associated with the equipment returned."

For the reasons discussed above with respect to claims 2 and 19, Applicant respectfully submits, that Examiner also has failed to present a *prima facie* case of obviousness with respect to claims 4 and 21. The Budget System cited by the Examiner does not cure this deficiency. As

² Claim 4 depends directly from claim 2. Claim 21 depends directly from claim 19.

discussed in Applicant's Opening Brief, nothing in the Budget System teaches or suggests utilizing the Internet to communicate to or from retail locations information pertaining to reservations, equipment a customer is interested in renting or other information relating to managing equipment rentals.

In any event, even if the Examiner made a proper *prima facie* finding of obviousness, as discussed above, the Rule 132 Declaration presents clear and convincing evidence of secondary considerations to overcome that finding. Thus, Applicant respectfully submits that claims 4 and 21 are allowable over the references of record.

3. The Subject Matter of Claims 31-32 and 34-41 Is Not Obvious under 35 U.S.C § 103(a) over the U-Haul PC-Based System³

In the Answer, the Examiner maintains the rejection of claims 31-32 and 34-41 as obvious based on the U-Haul PC-Based System and the Examiner's official notice that it was well known in the prior art to "port a standalone software package to a server for use in a client-server architecture." Applicant respectfully submits, however, that the Examiner again has failed to provide a sufficient rationale for modifying the U-Haul PC-Based System as proposed by the Examiner, even in light of the official notice. Applicant therefore respectfully submits that he Examiner has failed to make a *prima facie* showing of obviousness.

In rejecting the claims, the Examiner has conceded that the U-Haul PC-Based System did not include the recited feature of "a computer-server operatively coupled to the internet for communicating with one or more retail locations" wherein customer and equipment information is communicated between the server and the retail locations. *See* Answer at 17-18. Nevertheless, the Examiner concludes that it would have been obvious to modify the U-Haul PC-Based System by placing its functionalities on a server to ease software updates to the system. *Id.* at page 7. Applicant respectfully submits that the Examiner reached this conclusion based on impermissible hindsight resulting from Applicant's specification.

The Examiner asserts that he has taken official notice that it was well known in the prior art to "port a standalone software package to a server for use in a client-server architecture." Answer at 8, 16, 18. This official notice, however, does not satisfy the requirement that the Examiner articulate some reason that would have prompted a person of ordinary skill in the

³ Claim 31 is an independent claim. Claims 32-41 depend, either directly or indirectly, from claim 31.

relevant field at the time of the invention to couple a server to the Internet for communicating with one or more retail locations. At the very most, the Examiner’s official notice only demonstrates that the U-Haul PC-Based software could have been migrated to a server client-server architecture system. As discussed above, however, the mere fact that prior art could be modified in the manner proposed by the Examiner is not enough to show obviousness unless the prior art suggested the desirability of the modification. *See supra* at 5.

Moreover, the Examiner’s official notice did not clearly contemplate providing the Internet connectivity that the Examiner now asserts. Even if the Examiner properly took official notice that a standalone software package could be ported to a server for use in “a client-server architecture,” that client-server architecture need not necessarily include the Internet. For example, a local area network (LAN) could be implemented using a client-server architecture and still not be connected to the Internet.⁴ Thus, the Examiner’s official notice did not necessarily contemplate Internet connectivity.

In any event, as with the claims discussed above, the Examiner has not adequately identified a design incentive that would have prompted one of ordinary skill in the art to modify the U-Haul PC-Based System to achieve the claimed invention. Again, the Examiner asserts that the motivation for combining the references is to provide for the automated tax reporting to tax authorities as disclosed in Francisco et al. *See* Office Action at 19. As previously discussed, however, this “design incentive” does not address the problem of managing reservation and equipment rental information, would not have solved the problem and would not have prompted one of ordinary skill to modify the U-Haul PC-Based System.

Finally, even if the Examiner made a proper *prima facie* finding of obviousness (which Applicant disputes), Applicant has presented clear and convincing evidence of secondary considerations to overcome that finding.

Therefore, Applicant respectfully submits that claims 31-32 and 34-41 are not obvious over the cited references of record.

⁴ A LAN is a high-speed data network that covers a relatively small geographic area. It typically connects workstations, personal computers, printers, servers, and other devices. *See* Evidence Appendix to this Reply Brief.

4. The Subject Matter of Claim 33 Is Not Obvious under 35 U.S.C § 103(a) over U-Haul System and Further in View of the Budget System.

In the Answer, the Examiner maintains the rejection of claim 33 as being obvious over U-Haul's PC-Based System in view of Francisco et al. and further in view of the Budget System. Claim 33 depends from and includes all of the limitations of claim 31 and also recites that the computer server is configured to include "an equipment information section that prompts for information pertaining to equipment that is being returned and a payment section for payment of a rental fee associated with the equipment returned."

For the reasons discussed above with respect to claim 31, Applicant respectfully submits, that the Examiner also has failed to present a *prima facie* case of obviousness with respect to claims 33. As discussed above, the Budget System cited by the Examiner does not cure this deficiency.

In any event, even if the Examiner made a proper *prima facie* finding of obviousness, as discussed above, the Rule 132 Declaration presents clear and convincing evidence of secondary considerations to overcome that finding. Thus, Applicant respectfully submits that claim 33 is allowable over the references of record.

5. The Subject Matter of Claims 42-52 Is Not Obvious under 35 U.S.C § 103(a) over the U-Haul PC-Based System.⁵

In the Answer, the Examiner maintains the rejection of claims 42-52 as obvious based on the U-Haul PC-Based System. Applicant respectfully submits, however, that the Examiner again has failed to provide a sufficient rationale for combining all of the cited references. Applicant therefore respectfully submits that he Examiner has failed to make a *prima facie* showing of obviousness.

In rejecting claims 42-52, the Examiner concedes that the U-Haul PC-Based System does not teach the recited feature of "a server operatively coupled to one or more remote browsers" wherein rental information "can be communicated between the server and the one or more remote browsers." The Examiner nevertheless suggests that it was well known in the prior art to provide a server operatively coupled to one or more remote browsers. Again, however, the Examiner argues that the "design incentive" to modify the U-Haul PC-Based System to provide a

⁵ Claim 42 is an independent claim. Claims 43-52 depend, either directly or indirectly, from claim 42.

server and coupled to remote browsers is to provide reporting as shown in Francisco et al. See Answer at 22-23. For the reasons previously discussed, this “design incentive” would not have prompted one of ordinary skill to modify the U-Haul PC-Based System.

Moreover, even if the Examiner made a proper *prima facie* finding of obviousness (which Applicant disputes), Applicant has presented clear and convincing evidence of secondary considerations to overcome that finding.

Therefore, Applicant respectfully submits that claims 42-52 are not obvious over the cited references of record.

6. The Subject Matter of Claim 44 Is Not Obvious under 35 U.S.C § 103(a) over U-Haul System, and Further in View of the Budget System.

In the Answer, the Examiner maintains the rejection of claim 44 as being obvious over U-Haul’s PC-Based System in view of Francisco et al. and further in view of the Budget System. Claim 44 depends from and includes all of the limitations of claim 42 and also recites that the system includes a computer readable medium having instructions that provide “a return feature having an equipment information section that prompts for information pertaining to equipment that is being returned and a payment section for payment of a rental fee associated with the equipment returned.”

For the reasons discussed above with respect to claim 42, Applicant respectfully submits, that the Examiner also has failed to present a *prima facie* case of obviousness with respect to claims 44. The Budget System cited by the Examiner does not cure this deficiency.

In any event, even if the Examiner made a proper *prima facie* finding of obviousness, as discussed above, the Rule 132 Declaration presents clear and convincing evidence of secondary considerations to overcome that finding. Thus, Applicant respectfully submits that claim 44 is allowable over the references of record.

EVIDENCE APPENDIX

An appendix including an exhibit presenting evidence on the definition of a LAN is attached.

CONCLUSION

Based on the foregoing, it is respectfully requested that the rejection of claims 1-29 and 31-52 be withdrawn and that the claims be allowed.

Dated: July 14, 2008

Respectfully submitted,

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EVIDENCE APPENDIX

1. Definition of “local-area network” from www.webopedia.com.